

An Economy Charting A New Depth

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This current economic downturn is setting up to go down in the history books for the State of Utah. It won't be a good historical standing, as the employment losses currently under way are headed for depths not seen outside of a major war-influenced economy. When tracking the monthly flow of employment throughout the coming year (as compared against the same month the year prior), it is easy to envision Utah's employment contracting by 3 percent or greater.

That would be the most Utah job losses in a "peacetime" economy since record keeping began in 1939. Employment contracted 10 percent in the summer of 1944 following a 40 percent buildup the year before, but this was all World War II related. Employment fell 5 percent in March 1954 as the Korean War was being drawn down. Both of those employment contractions were tied to lost defense jobs (artificially high due to the wars).

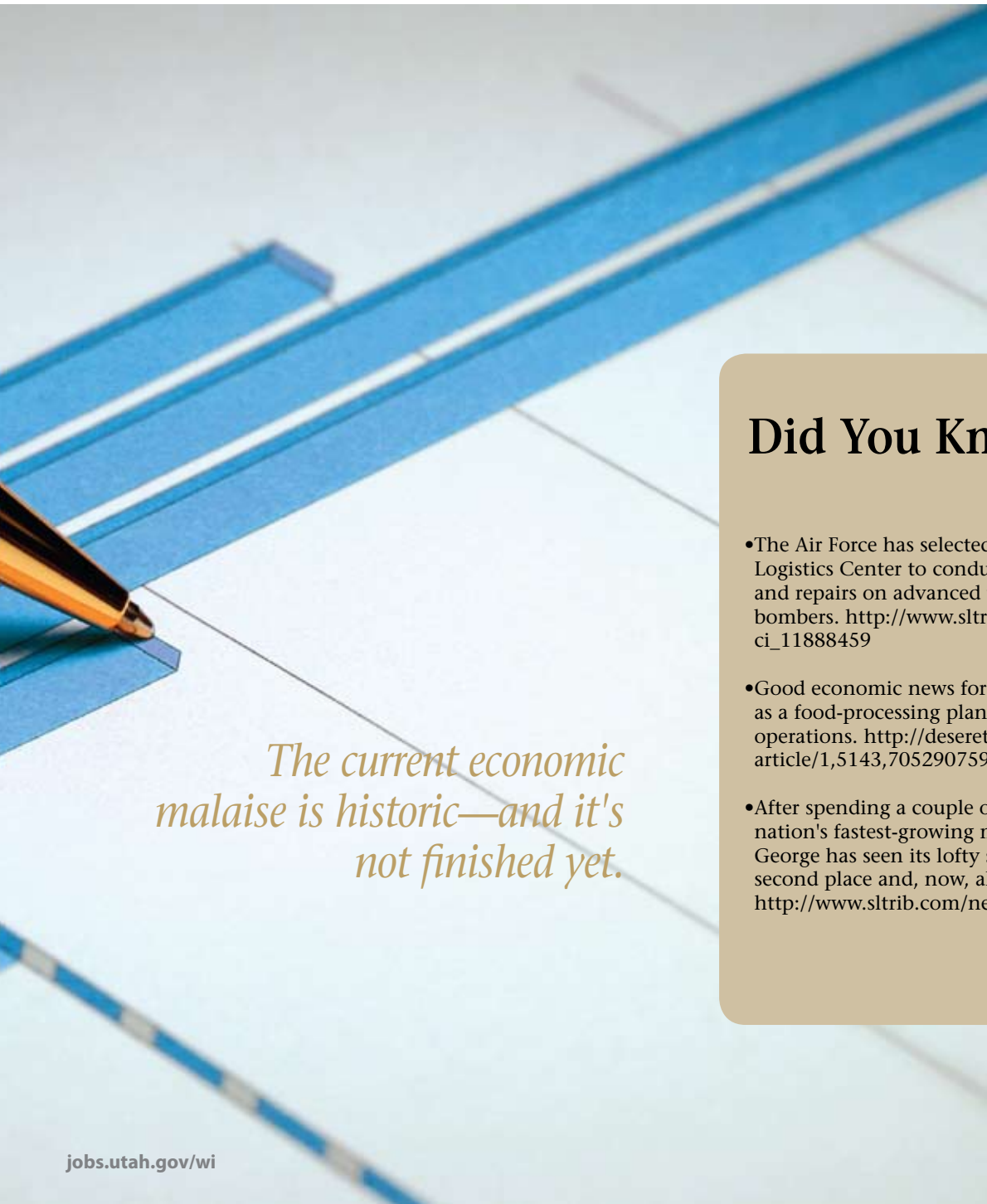
Outside of those anomalies are the "normal" economic years. Utah has a long history of a growing, strong economy. The average yearly employment growth rate since 1950 is 3.3 percent.



Utah's employment contraction for February 2009 is at -2.1 percent. It is destined to go lower as the ensuing months are tabulated. Outside of the war years, there is only one other time—July 1964; a defense-related missile system cutback—when the Utah economy contracted by as much as 2.1

percent over a 12-month period. March 2009's employment contraction will be lower than -2.1 percent, and thus will be Utah's lowest economic performance outside of a war year since at least the 1930s. The low point of the early 1980s economic downturn in Utah was -1.9 percent in August 1980 (considered

America's sharpest downturn since the Great Depression). The low point of the dot com recession earlier this decade was "only" a negative 1.4 percent in March 2002. All of this is noted to place this current economic malaise in an historical context—and it's not yet finished. ⓘ



The current economic malaise is historic—and it's not finished yet.

Did You Know...

- The Air Force has selected Ogden's Air Logistics Center to conduct maintenance and repairs on advanced unmanned bombers. http://www.sltrib.com/ci_11888459
- Good economic news for central Utah as a food-processing plant restarted operations. <http://deseretnews.com/article/1,5143,705290759,00.html>
- After spending a couple of years as the nation's fastest-growing metro area, St. George has seen its lofty status slip to second place and, now, all the way to 10th. http://www.sltrib.com/news/ci_11946708